

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
OFFICE OF HEARING OFFICERS**

Department of Enforcement,

Complainant,

vs.

Chad A. Revelle (CRD No. 5114326),

Respondent.

Disciplinary Proceeding

No. 2010023076801

Hearing Officer – SNB

**ORDER ACCEPTING OFFER OF
SETTLEMENT**

Date: June 11, 2012

INTRODUCTION

Disciplinary Proceeding No. 2010023076801 was filed on May 21, 2012, by the Department of Enforcement of the Financial Industry Regulatory Authority (“FINRA”) (“Complainant”). Respondent Chad A. Revelle submitted an Offer of Settlement (“Offer”) to Complainant dated May 29, 2012. Pursuant to FINRA Rule 9270(e), the Complainant and the National Adjudicatory Council (“NAC”), a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs (“ODA”) have accepted the uncontested Offer. Accordingly, this Order now is issued pursuant to FINRA Rule 9270(e)(3). The findings, conclusions and sanctions set forth in this Order are those stated in the Offer as accepted by the Complainant and approved by the NAC.

Under the terms of the Offer, Respondent has consented, without admitting or denying the allegations of the Complaint, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of FINRA, or to which FINRA is a party, to the entry of findings and violations consistent with the allegations of the Complaint, and to the imposition of the sanctions set forth below, and fully understands that this Order will become part of

Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA.

BACKGROUND

On April 11, 2006, FINRA member G.A. Repple & Co. ("Repple") filed a Form U4 for Respondent, commencing his association with the firm as of that date. Later that year, Respondent acquired Series 7 and 63 licenses. On December 2, 2009, Repple filed an initial Form U5 for Respondent, terminating his association with the firm as of December 31, 2009. On June 9, 2010, Repple filed an amendment to Respondent's Form U5, wherein the firm disclosed, for the first time, that Respondent's former customer, HL, had initiated a FINRA arbitration proceeding against it in connection with his investment in certain promissory notes issued by DBSI Inc. and that Respondent may have engaged in conduct actionable under NASD/FINRA rules in connection with his dealings with HL. Respondent currently is not associated with a FINRA member. Although Respondent is no longer registered or associated with a FINRA member, he remains subject to FINRA's jurisdiction for purposes of this proceeding, pursuant to Article V, Section 4 of FINRA's By-Laws, because: (a) the Complaint was filed within two years of the date when Repple filed the June 9, 2010 amendment to Respondent's Form U5, wherein the firm disclosed, for the first time, that Respondent may have engaged in conduct actionable under NASD/FINRA rules, and the amendment was filed within two years of the date when Repple filed the initial Form U5 for Respondent on December 2, 2009; and (b) the Complaint charges Respondent with failing to appear for on-the-record testimony during the two-year period after the filing of the amendment to his Form U5.

FINDINGS AND CONCLUSIONS

It has been determined that the Offer be accepted and that findings be made as follows:

1. Respondent Chad A. Revelle failed to provide investigative testimony, in violation of FINRA Rules 8210 and 2010.
2. On April 11, 2006, FINRA member G.A. Repple & Co. ("Repple") filed a Form U4 for Revelle, commencing his association with the firm as of that date.
3. Later that year, Revelle acquired Series 7 and 63 licenses.
4. On December 2, 2009, Repple filed an initial Form U5 for Revelle, terminating his association with the firm as of December 31, 2009.
5. On June 9, 2010, Repple filed an amendment to Revelle's Form U5, wherein the firm disclosed, for the first time, that Revelle's former customer, HL, had initiated a FINRA arbitration proceeding against it in connection with his investment in certain promissory notes issued by DBSI Inc. and that Revelle may have engaged in conduct actionable under NASD/FINRA rules in connection with his dealings with HL. Specifically, in the Statement of Claim, HL alleged that Repple, through Revelle and another registered representative, had: (a) misrepresented, and omitted to disclose, material facts concerning the investment; (b) failed to conduct a reasonable investigation to learn the essential facts of the investment; and (c) recommended an unsuitable investment to him.
6. Revelle currently is not associated with a FINRA member.
7. Although Revelle is no longer registered or associated with a FINRA member, he remains subject to FINRA's jurisdiction for purposes of this proceeding, pursuant to Article V, Section 4 of FINRA's By-Laws, because: (a) the Complaint was filed within two years of the date when Repple filed the June 9, 2010 amendment to Revelle's Form U5, wherein the firm

disclosed, for the first time, that Revelle may have engaged in conduct actionable under NASD/FINRA rules, and the amendment was filed within two years of the date when Repple filed the initial Form U5 for Revelle on December 2, 2009; and (b) the Complaint charges Revelle with failing to appear for on-the-record testimony during the two-year period after the filing of the amendment to his Form U5.

8. Based on the aforementioned amendment to Revelle's Form U5, FINRA staff opened an investigation into the allegations against Revelle set forth in the Statement of Claim filed by HL.

9. In an October 11, 2010 NASD Rule 3070 filing with FINRA, Repple disclosed that the firm had settled a matter with DD, one of Revelle's former customers, which also involved investments in DBSI products. Based on the Rule 3070 filing, the staff opened an investigation into the circumstances surrounding the settlement.

10. In 2011, the staff sent two separate sets of requests for documents and/or information to Revelle in connection with the investigation of HL's allegations. Revelle provided a written response to the information requests and represented that he did not have any documents responsive to the document requests.

11. In 2011, the staff sent two separate sets of requests for documents and/or information to Revelle in connection with the investigation of the settlement involving DD. Revelle provided a written response to the information requests and represented that he did not have any documents responsive to the document requests.

12. On April 23, 2012, in connection with the aforementioned investigations and pursuant to FINRA Rule 8210, the staff sent a letter to Revelle, wherein the staff requested that

he provide investigative testimony at FINRA's office at 1801 K Street, N.W., 8th Floor, Washington D.C., 20006 ("DC Office") on May 7, 2012 ("Request for Testimony").

13. The staff that conducted the investigations works out of FINRA's office in Boca Raton, Florida. However, the staff scheduled Revelle's testimony for the DC Office, instead of the Boca Raton office, to accommodate his request that his on-the-record interview be conducted closer to his home in North Carolina.

14. The staff sent the Request for Testimony by certified and first class mail to Revelle at his residential address reflected in the CRD ("CRD Address") and at the most current address that the staff has for him in North Carolina ("New Address"). The staff also e-mailed the Request for Testimony to Revelle at his personal e-mail address.

15. The United States Postal Service ("USPS") returned the certified and first class mailings of the April 23rd Request to the CRD Address to the staff marked:

RETURN TO SENDER
VACANT
UNABLE TO FORWARD.

The USPS's website indicates the following for the certified mailing of the April 23rd Request to the New Address: (a) "Arrival at Unit" and "Notice Left" on April 27, 2012; and (b) "Notice Left" on May 3, 2012. To date, the USPS has not returned the certified or first class mailings of the April 23rd Request sent to the New Address to the staff.

16. Revelle did not appear for, or provide, testimony on May 7, 2012.

17. FINRA Rule 8210 requires persons associated with a member and others subject to its jurisdiction to provide investigative testimony to FINRA in connection with, among other things, an investigation or examination.

18. FINRA Rule 2010 requires associated persons, in the conduct of their business, to “observe high standards of commercial honor and just and equitable principles of trade.”

19. Revelle failed to provide investigative testimony on May 7, 2012, as requested by the staff in accordance with, and pursuant to, FINRA Rule 8210.

20. As a result of the foregoing, Revelle violated FINRA Rules 8210 and 2010.

Based on the foregoing, Respondent violated FINRA Rules 8210 and 2010.

Based on these considerations, the sanctions hereby imposed by the acceptance of the Offer are in the public interest, are sufficiently remedial to deter Respondent from any future misconduct, and represent a proper discharge by FINRA, of its regulatory responsibility under the Securities Exchange Act of 1934.

SANCTIONS

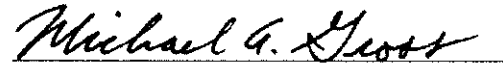
It is ordered that Respondent be barred from association with any FINRA member in all capacities.

The sanctions imposed herein shall be effective on a date set by FINRA staff. Pursuant to FINRA Rule 8313(e), a bar or expulsion shall become effective upon approval or acceptance of this Order.

SO ORDERED.

FINRA

Signed on behalf of the
Director of ODA, by delegated authority

A handwritten signature in cursive script, reading "Michael A. Gross", is positioned above a horizontal line.

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